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Attorneys for Plaintiff
EDWIN QUIZON, on behalf of himself
and on behalf of all other aggrieved employees

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CRUZ**

EDWIN QUIZON, on behalf of himself and
on behalf of all other aggrieved employees,

Plaintiff,

vs.

CF WATSONVILLE EAST, LLC. dba
WATSONVILLE NURSING CENTER, a
California limited liability company; and
DOES 1 through 50, inclusive

Defendants.

Case No. 20CV01868

Hon. Paul Marigonda

**DECLARATION OF DAVID YEREMIAN
IN SUPPORT OF PLAINTIFF'S
UNOPPOSED MOTION TO APPROVE
THE PRIVATE ATTORNEYS GENERAL
ACT SETTLEMENT AND RELEASE
UNDER CALIFORNIA LABOR CODE §§
2698 et. seq.**

*[filed concurrently with Plaintiff's Notice of
Motion and Motion; Memorandum of Points and
Authorities; Declaration of Roman Shkodnik;
and [Proposed] Order]*

Date: January 5, 2022
Time: 8:30 a.m.
Dept.: 10

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1. I am an attorney licensed and admitted to practice before all courts of the State of California, the United States District Court for the Central, Southern, Eastern, and Northern Districts of California, and the Ninth Circuit Court of Appeals.
2. I am the managing attorney of David Yeremian & Associates, Inc., counsel of record for Plaintiff Edwin Quizon (“Plaintiff” or “PAGA Representative”) on behalf of himself and similarly situated employees of Defendant CF Watsonville East, LLC. dba Watsonville Nursing Center (“Defendant”). I and my firm are referred to herein as Private Attorneys General Act of 2004 (“PAGA”) Counsel. I have personal knowledge of the facts herein and if called as a witness, I could and would competently testify.
3. All of the matters set forth herein are within my personal knowledge, except those matters that are stated to be upon information and belief. As to such matters, I believe them to be true. I have represented Plaintiff and the aggrieved employees since the inception of this matter. I submit this Declaration in support of Plaintiff’s Motion to Approve Settlement Agreement and PAGA Claims under California Labor Code 2698 *et seq.*

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5. On September 8, 2020, after 65 days from the mailing of the first notice to the LWDA, Plaintiff filed a putative PAGA Complaint against Defendant CF Watsonville East, LLC. dba Watsonville Nursing Center in the Superior Court for the State of California, in Santa Cruz, Case

1 Number 20CV01868, alleging claims for (1) failure to pay minimum wages; (2) failure to pay
2 wages and overtime; (3) failure to provide meal breaks; (4) failure to provide rest breaks; (5)
3 failure to furnish accurate itemized wage statements; and (6) failure to timely pay final wages
4 upon termination or separation.

5 6. Before filing the lawsuit, my firm investigated and researched the facts and
6 circumstances underlying the pertinent issues and the law applicable thereto. This required
7 thorough discussions and interviews between our firm and Plaintiff, as well as preliminary
8 research into the various legal issues involved in the case. After conducting our initial
9 investigation, we determined that Plaintiff's claims were well-suited for representative action
10 adjudication owing to what appeared to be a common course of conduct affecting a similarly
11 situated group of employees.

12 7. After filing the lawsuit, my firm conducted a thorough investigation of the facts and
13 claims giving rise to the action, including: (1) conducting both formal and informal discovery,
14 and meeting and conferring with defense counsel about same; (2) reviewing and analyzing time
15 and pay records as well as employment handbooks, Plaintiff's personnel files, relevant policies
16 and other documentation; (3) researching the applicable law and potential defenses; (4)
17 constructing damage models based on interpretations of California law; and (5) reviewing
18 information provided by Defendant at the mediation.

19 8. Defendant, for its part, vigorously contested liability, the amount of claimed damages.
20 In addition, informal discovery revealed that Plaintiff, as well as many other Aggrieved
21 Employees, signed an arbitration agreement during their employment with Defendant. The
22 arbitration agreement precludes Plaintiff, or any employee who signed the arbitration agreement,
23 from bringing class claims against Defendant.

24 9. Given the arbitration agreement signed by the Aggrieved Employees, Plaintiff
25 continued proceeding with the claims under Labor Code § 2699. After Plaintiff's Counsel
26 analyzed the relevant documents and other gathered data, Counsel believed that this case was
27 appropriate for resolution via mediation. With the discovery in hand, the parties were able to
28 engage in meaningful settlement discussions, in an attempt to resolve the claims remaining in the

1 Action.

2 **SETTLEMENT NEGOTIATIONS AND TERMS**

3 10. On July 15, 2021, the parties mediated this case with Lynn Frank, a respected and
4 highly experienced mediator in wage and hour class and PAGA actions. During mediation, the
5 parties discussed all aspects of the case, including the risks of litigation and exchanged further
6 information. The parties recognized that the issues presented in the Action are likely only to be
7 resolved with extensive and costly pretrial and trial proceedings, and that further litigation will
8 lead to inconvenience, distraction, disruption, delay and expense disproportionate to the potential
9 benefits of litigation. The parties took into account the risk and uncertainty of the outcome
10 inherent in any litigation.

11 11. As a result of the mediation, the parties agreed to settle the lawsuit according to the
12 terms set forth in the Private Attorney General Act Settlement Agreement (“Settlement
13 Agreement” or “Settlement”), attached hereto as **Exhibit 2**.

14 12. For purposes of the Settlement, Aggrieved Employees are defined as: “all current and
15 former hourly-paid or non-exempt employees who worked for CF Watsonville East, LLC dba
16 Watsonville Nursing Center in the State of California during the PAGA Period, i.e., from July 2,
17 2019, through the date on which the Court grants approval of the settlement.” In this case, there
18 are 200 Aggrieved Employees.

19 13. The Settlement Agreement requires Defendant to pay a total sum of Two Hundred and
20 Fifteen Thousand Dollars and No Cents (\$215,000.00) (the “Gross Settlement Amount”) in
21 exchange for a release of Plaintiff’s Representative PAGA claims asserted in the PAGA
22 Complaint. The Gross Settlement Amount will be allocated as follows, pending Court approval:

- 23 a) Attorneys’ fees of up to forty percent of the Gross Settlement Amount which is
24 Eighty-Six Thousand Dollars and No Cents (\$86,000.00) (“PAGA Counsel’s
25 Fees”) (see Exhibit 2, at § III (4) and PAGA Counsel’s litigation costs incurred
26 in this matter which is Ten Thousand and Twenty-Two Dollars and Seventeen
27 Cents (\$10,022.17) (“PAGA Counsel’s Costs) (see Exhibit 2, at § III (5)).
28 b) Administration costs of no more than Six Thousand and Four Hundred and

1 Thirty-Five Dollars and Zero Cents (\$6,435.00) to be paid to the Settlement
2 Administrator (“Administration Costs”) for sending notices and for calculating
3 settlement shares and preparing all checks and mailings (*see* Exhibit 2, at § III
4 (6)); and

- 5 c) The remainder of the Gross Settlement Amount (the “Net Settlement Amount”)
6 after deducting the above costs is approximately One Hundred and Twelve
7 Thousand Five Hundred and Forty-Two Dollars and Eighty-Three Cents
8 (\$112,542.83) and shall be designated as PAGA Penalties to be allocated
9 between the LWDA and the Aggrieved Employees pursuant to Labor Code
10 section 2699(i), with 75% of the Net Settlement Amount or the gross amount of
11 (\$84,407.12) paid to the LWDA (the “LWDA PAGA Portion”) and 25% of the
12 Net Settlement Amount or the gross amount of (\$28,135.71) paid to the
13 Aggrieved Employees (the “Aggrieved Employees’ PAGA Portion”) on a pro-
14 rata basis (*See* Exhibit 2 at § III (3)).

15 14. From PAGA Counsel’s review of the facts, strengths, and weaknesses of the case, the
16 risks and delays posed by further litigation, and PAGA Counsel’s own prior litigation experience,
17 PAGA Counsel believes that the recovery for each Aggrieved Employee is fair and reasonable
18 taking into consideration the amounts received in other PAGA actions, the risks inherent in
19 litigation of this genre, and the reasonable tailoring of each Aggrieved Employee’s claim to the
20 settlement award he or she will receive. Further, and based on the settlement negotiations, which
21 were extensive and conducted in good faith and at arm’s length between attorneys with
22 substantial experience litigating PAGA actions, the Settlement Agreement was the product of a
23 non-collusive settlement process in which the parties were forced to make significant
24 compromises in the interest of reaching a full and complete settlement of the lawsuit.

25 **THE STRENGTH OF PLAINTIFF’S CASE**

26 **IN LIGHT OF THE SETTLEMENT AMOUNT**

27 15. Plaintiff alleges that Defendant violated various provisions of California law and seeks
28 civil penalties for the foregoing violations pursuant to Labor Code § 2699 *et seq.*

1 16. Under Labor Code § 2699, specifically, Plaintiff alleged that the Aggrieved Employees
2 were not paid all wages they were owed, including for all work performed and for all overtime
3 hours worked. Specifically, Defendant paid shift differentials, sick pay, incentive and other
4 bonuses to employees but failed to factor these shift differentials, sick pay, and nondiscretionary
5 bonuses into the regular rate when calculating overtime pay. On top of these violations, Plaintiff
6 alleged that Aggrieved Employees often were not allowed to take meal and rest breaks due to the
7 demands of the job. Plaintiff alleged that to the extent they were able to take a break, it was often
8 interrupted.

9 17. Plaintiff also contends that Defendant failed to provide their employees with accurate,
10 itemized wage statements, in writing, as required by California Labor Code § 226(a). Section
11 226(a) requires an employer to furnish each of his or her employees with an accurate, itemized
12 statement in writing showing the gross and net earnings, total hours worked, and the
13 corresponding number of hours worked at each hourly rate. Labor Code § 226(a). These
14 statements must be appended to the detachable part of the check, draft, voucher, or whatever else
15 serves to pay the employee's wages, or, if wages are paid by cash or personal check, these
16 statements may be given to the employee separately from the payment of wages. *Id.* In either case
17 the employer must give the employee these statements twice a month or each time wages are
18 paid. *Id.* As a direct and proximate cause of Defendant's alleged violation of Labor Code §
19 226(a), employees allegedly suffered injuries, including not being paid their wages and overtime,
20 confusion over whether they received all wages owed them, the difficulty and expense involved
21 in reconstructing pay records, and forcing them to make mathematical computations to analyze
22 whether the wages paid in fact compensated them for all hours worked. Specifically, the wage
23 statements allegedly failed to accurately account for unpaid wages and overtime due to the off the
24 clock work. Moreover, the wage statements allegedly failed to account for premium pay for
25 deficiently provided meal and rest periods. As a result, Defendant allegedly failed to provide
26 employees with accurate, itemized wage statements in writing, as required by the Labor Code.

27 18. By allegedly failing to pay the Plaintiff and Aggrieved Employees their minimum
28 wages, overtime wages, all discussed above, Plaintiff and formerly employed Aggrieved

1 Employees would be due all wages at the time of termination or within seventy-two (72) hours of
2 resignation, as required under Labor Code § 203.

3 19. Defendant denied and continues to deny all of the claims made by Plaintiff in this
4 Action and contends it acted at all relevant times in conformance with the law. Defendant
5 contends Plaintiff and all putative Aggrieved Employees were provided lawfully compliant meal
6 and rest periods and that any deviations were at the voluntary election of the Plaintiff and/or the
7 putative Aggrieved Employees and not at the request of Defendant or due to work; that Defendant
8 paid all wages due, at the correct hourly rate and on a timely basis; that Defendant's wage
9 statements complied with the law. As a result of Defendant's arguments Plaintiff's Counsel had to
10 apply appropriate discounts in light of the facts and law as discussed above.

11 **PAGA Penalties**

12 20. The Private Attorneys General Act, Labor Code § 2699 et seq., allows Plaintiff to
13 obtain civil penalties on behalf of themselves and other aggrieved employees for Defendant's
14 violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil
15 penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties
16 are recoverable, Labor Code § 2699(f) establishes civil penalties of one hundred dollars (\$100)
17 for each aggrieved employee per pay period for the initial violation and two hundred dollars
18 (\$200) for each aggrieved employee per pay period for each subsequent violation. Pursuant to
19 Labor Code § 2699(i), seventy-five (75) percent of the penalties recovered must be allocated to
20 the Labor and Workforce Development Agency (LWDA), with the remaining twenty-five (25)
21 percent allocated to the affected employees. The limitations period as for all penalties is one year
22 prior to the filing of the complaint. However, under *Amaral v. Cintas*, 163 Cal. App. 4th 1157,
23 1207-09 (2008) the Court held that a lower penalty amount of \$100 per violation applies in the
24 absence of a determination that a violation actually occurred.

25 21. Based on the foregoing facts and law, PAGA Counsel estimated Defendant's maximum
26 total exposure on the PAGA claim at approximately \$430,000. The provisions of the Labor Code
27 potentially triggering PAGA penalties in this case include but are not limited to Labor Code §§
28 201, 202, 203, 204, 210, 221, 226, 226.7, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185,

1 1194, 1194.2, 1197, 1198, 1199, 2698, and 2699, *et seq.* and any applicable Wage Order.
2 Specifically, the total exposure on the PAGA claim was calculated by multiplying the total
3 number of pay periods (4,300) by \$100 per violation. Plaintiff's calculation of the total exposure
4 on the PAGA claim is for one PAGA penalty per pay period (*i.e.*, Plaintiff did not stack the
5 penalties in their calculation). Plaintiff's claims giving rise to the penalties include the following:
6 (1) Defendant's alleged failure to pay, timely or otherwise, all wages due and owing ; (2)
7 Defendant's alleged failure to provide all the legally required unpaid, off-duty meal periods to the
8 Aggrieved Employees; (3) Defendant's alleged failure to provide all the legally required paid,
9 off-duty rest periods; (4) Defendant's alleged failure to provide accurate wage statements; (5) the
10 alleged debit card charges and (6) Defendant's alleged failure to timely pay formerly employed
11 Aggrieved Employees all wages due and certain at the time of termination or within seventy-two
12 hours of resignation as required by Labor Code §§ 201-203.

13 22. Case law supports the notion that it is inappropriate to "stack" penalties for multiple
14 violations, particularly when those violations all stem from the same alleged "injury" *Aguirre v.*
15 *Genesis Logistics*, 2015 U.S. Dist. LEXIS 78748 (citing *Villacres v. ABM Indus., Inc.*, 189
16 Cal.App.4th 562, 577 (2010)). ("One injury gives rise to only one claim for relief...The violation
17 of one primary right constitutes a single cause of action."; *Crowley v. Kattleman*, 8 Cal. 4th 666,
18 681-82) (1994); *Li v. A Perfect Day Franchise, Inc.*, 2012 WL 2236752, *17 (N.D. Cal.2012)
19 ("There is no authority that "would permit double recovery of essentially the same penalties.")

20 23. PAGA penalties are not mandatory but permissive. Labor Code § 2699(e)(2) states that
21 "a court may award a lesser amount than the maximum civil penalty amount specified by this part
22 if, based on the facts and circumstances of the particular case, to do otherwise would result in an
23 award that is unjust, arbitrary and oppressive, or confiscatory." (*See Thurman v. Bayshore* (2012)
24 203 Cal. App. 4th 1112 (*substantially* reducing PAGA penalties by 30% under this provision)
25 (emphasis added); *see also Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018)
26 (affirming penalty reduction of 90% for practice that resulted in meal periods occasionally
27 starting minutes after the fifth hour of work); *Sanchez v. McDonald's Corp.* (2017), LASC Case
28 No. No. BC 499888 (98% reduction from \$41 million to \$775,000); *Ghrdilyan v. RJ Financial*

(2012), LASC Case No. BC430633 (94% reduction from \$5.4 million to \$325,000); *Fleming v. Covidien, Inc.* (2011), USDC Case No. ED CV 10-01487-RGK (OPx) (87% reduction from \$2.8 million to \$375,000).). Defendant maintains that it would be unjust to award maximum PAGA penalties and that stacking of penalties was not appropriate.

REQUEST FOR ATTORNEYS' FEES AND COSTS

24. Under the Settlement, the PAGA Counsel requests, without opposition from Defendant, an award of (1) attorneys fees of up to Eighty-Six Thousand Dollars and No Cents (\$86,000.00) ("PAGA Counsel's Fees) and (2) reimbursement of reasonable costs ("PAGA Counsel's Costs) of Ten Thousand and Twenty Dollars and Seventeen Cents (\$10,022.17) (*See* Exhibit 2, at § III (5)). Attached hereto and incorporated herein as **Exhibit 3** is my firm's cost log, showing total costs of Ten Thousand and Twenty Dollars and Seventeen Cents (\$10,022.17).

25. PAGA Counsel respectfully requests an order approving its attorneys' fees and costs pursuant to the Settlement Agreement.

26. This request is fair, reasonable, and adequate to compensate PAGA Counsel for the substantial work they have put into this case and, moreover, the risk they assumed by taking it in the first place. The attorneys' fees award is intended to reimburse Counsel for all uncompensated work that they have already done and for all the work they will continue to do in carrying out and overseeing the notification to the Aggrieved Employees, communicating with Aggrieved Employees regarding their claims, and assisting in the administration of the settlement if it is approved.

27. My firm took this case on a contingent-fee basis against a business represented by a reputable defense firm. When we take contingent cases, we must pay careful attention to the economics involved or one bad case can destroy years of work. Accordingly, when we take contingency cases, we anticipate that we shall, if successful, receive a fee that exceeds our normal hourly rate; otherwise, the risk is often too great to bear. Even when we work long hours, the number of hours in a day is limited. Because of this, when we take on one particular matter, we are unable to take on other matters. When my firm became involved in this case, we realized the time commitment that it would entail and we were forced to turn down matters that we otherwise

1 should have been able to handle.

2 28. Contingent-fee cases present the very real risk of working hundreds if not thousands of
3 hours that may never be entirely compensated. Moreover, while the case is being litigated,
4 counsel must pay overhead (salaries, rent, etc.), provide for their own expenses, and in most cases
5 pay the out-of-pocket expenses incurred on the plaintiff's behalf. And the prospect of a court-
6 awarded fee does not greatly reduce the risk posed by these cases. In many cases, the prospect is
7 nothing more than a potential that never materializes. First, you must win the case to get a court-
8 awarded fee; even those cases that seem strongest at the onset can be lost and sometimes are lost.
9 Second, there are always the pitfalls and unforeseen obstacles that arise along the way, such as
10 settlement offers that the client may accept without ensuring that we receive a reasonable fee or
11 changes in the law that substantially affect the merits of the case, or other uncertainties involving
12 the client. Finally, there is the great risk inherent in advancing tens if not hundreds of thousands
13 of dollars in out-of-pocket expenses. If that money were to be invested in some sort of financial
14 investment, one would expect a reasonable rate of return on that investment. Here, however, the
15 best we can hope to recover is our money, and then only if we are substantially successful; if we
16 are not, all or part of this "investment" can be lost.

17 29. PAGA Counsel is well acquainted with the contingent-fee market throughout
18 California, particularly as it pertains to PAGA and class-action litigation. PAGA Counsel has
19 negotiated numerous contingency-fee agreements with plaintiffs, both as individuals and as
20 representatives in class-action and PAGA suits. Many of those agreements required that counsel
21 receive a fee under certain scenarios that exceeds 40% of the recovery. PAGA Counsel's recent
22 attorneys' fees awards in similar wage-and-hour class and PAGA actions have been 40% of the
23 recovery.

24 30. Attorney's fees payable from this settlement amount to our office in no way
25 undermined our fiduciary duties to the putative class.

26 31. PAGA counsel in contingency-fee cases typically receive attorneys' fees equal to or
27 greater than forty percent of the gross settlement amount. *See Crandall v. U-Haul* (Los Angeles
28 County Super. Ct., Case No. BC178775), the Honorable Steven Czuleger awarded a 40% attorney

1 fee request in an overtime-exemption class action; in *Bushnell v. Cremar, Inc.* (Orange County
2 Super. Ct., Case No. 657778), the Honorable Donald E. Smallwood awarded attorneys' fees in
3 the amount of 38%; in *Abzug v. Kerkorian* CA000981 (Los Angeles County Super. Ct.,
4 November 1990), the Honorable R. William Schoettler awarded a 45% fee; in *Haitz v. Meyer, et*
5 *al.*, Alameda County Super. Court, 8-20-1990 No. 572968-3, the court awarded a 40% fee; in
6 *Elliott v. Clothestime* (Orange County Super. Ct., Case No. 01-CC00333) the Honorable Jonathan
7 Cannon awarded a 40% fee in a wage-and-hour class action which had not yet proceeded to the
8 class certification stage; in both *Rippee v. Boston Market Corporation*, Case No.: 05 CV 1359
9 BTM (JMA) and *Barile v. Boston Market Corporation*, Case No.: 05 CV 1360 BTM (JMA), the
10 Honorable Judge Barry T. Moskowitz awarded a 40% fee to plaintiffs' counsel in wage-and-hour
11 class actions that had not proceeded to the class-certification stage.

12 32. Moreover, PAGA Counsel spent substantial time on this matter. Aside from drafting
13 the initial complaint, PAGA Counsel conducted informal discovery, reviewed and analyzed time
14 and pay records, employment handbooks, Plaintiff's personnel file, relevant policies and other
15 documentation, researched the applicable law and potential defenses, constructed damage models
16 based on interpretations of California law, reviewed information provided by Defendant at the
17 mediation, engaged in meet and confer efforts with Defendant, and ultimately drafted and revised
18 the settlement agreement. PAGA Counsel conservatively estimates that it invested over 160 hours
19 of attorney time in this matter. David Yeremian's billing rate is \$750 per hour (18 years out of
20 law school and is less than the Laffey Matrix rate of \$759.00), and he spent approximately 52
21 hours on this matter. Roman Shkodnik's billing rate is \$575.00 (9 years out of law school, Laffey
22 Matrix rate of \$672.00), and he spent approximately 108 hours on this matter. See **Exhibit 4**
23 (David Yeremian's Time and Task Summaries) and **Exhibit 1** to the Declaration of Roman
24 Shkodnik concurrently filed herewith. The lodestar for Plaintiff's counsel is \$101,100 (\$39,000
25 for David Yeremian's time on the case and \$62,100 for Roman Shkodnik's time on the case). The
26 fee request of \$86,000 results in a multiplier of approximately 0.85 further evidencing the
27 reasonableness of the request.

28 33. In light of the foregoing, the fee request in an amount equal to 40% of the settlement in

1 this case is well within the bounds that have been established by the above-cited authority.
2 Defendant has no objection to an award of fees in the amount requested.

3 **EXPERIENCE AND VIEWS OF COUNSEL**

4 34. I have been practicing law since 2003. During my career I have represented employees
5 in over 150 wage-and-hour class and/or representative actions as lead or co-lead counsel
6 (including in the Central, Southern, Eastern and Northern Districts of California), and I have
7 obtained six and seven figure settlements against a range of defendants, including Fortune 500
8 companies.

9 35. My firm is well qualified because of our experience, knowledge, and resources to act as
10 counsel and represent Plaintiff and the Aggrieved Employees in this action. A substantial
11 percentage of our practice is devoted to litigating wage, hour, and working-conditions violations,
12 and the bulk of these cases are class and PAGA actions.

13 36. I am experienced in prosecuting employment matters, particularly class and
14 representative PAGA actions. In addition to the present case, I am also class or PAGA counsel for
15 other wage-and-hour class-action lawsuits pending in various counties throughout California
16 (including in federal courts). There follows a list of some of our recent class-action settlements
17 that have received preliminary or final approval: *Galavis v. Patina Restaurant Group, LLC*
18 (LASC BC375225; class size approx. 10,000; co-counsel); *Milford v. ADT Security Services, Inc.*
19 (CACD CV08-2236; class size approx. 2,000; lead counsel); *Carreon v. Wolfgang Puck Catering*
20 *and Events, LLC* (LASC BC398569; class size approx. 1,400; lead counsel); *Fluke v. RFG Oil,*
21 *Inc.* (LASC BC403354; class size approx. 1,400; lead counsel); *Urena v. Camachos Restaurant*
22 *(LASC BC365913; class size approx. 887; lead counsel); Smith v. Rio Rancho Pontiac GMC*
23 *Buick Inc.* (LASC BC391187; class size approx. 860; lead counsel); *Callela v. Dolce Group*
24 *(LASC BC364711; class size approx. 600; lead counsel); Vasquez v. The Hollywood Pig n*
25 *Whistle LP* (LASC BC335075; class size approx. 600; lead counsel); *Goldman v. Aorta*
26 *Restaurant Operating LP* (LASC BC379688; class size approx. 300; lead counsel); *Sink-Crilly v.*
27 *Centex Homes* (CACD CV09-2476; class size approx. 250; lead counsel); *Utley v. Cranbrook*
28 *Partners Inc.* (LASC BC392813; class size approx. 200; lead counsel); *Garcia v. California*

1 *Credits Group* (LASC BC353213; class size approx. 160; lead counsel); *Afanasyev v. Miller*
2 *Infiniti, Inc.* (LASC BC350788; class size approx. 160; lead counsel); *Morris v. Gymboree, Inc.*
3 (LASC BC393270; class size approx. 150; lead counsel); *Ortega v. AJC Sandblasting, Inc.*
4 (LASC BC378806; class size approx. 140; lead counsel); *Lulejyan v. Jim Falk Motors of Beverly*
5 *Hills, Inc.* (LASC BC398459; class size approx. 72; lead counsel); *Rylko v. The Griddle Café,*
6 *Inc.* (LASC BC386126; class size approx. 70; lead counsel); *Healy v. Siemens IT Solutions and*
7 *Services, Inc.* (Santa Clara Superior Court 108CV113479; class size approx. 60; lead counsel).

8 37. This experience is helpful in assessing the reasonableness of settlements such as the
9 one at issue here, and from this experience Plaintiff's Counsel concluded that this lawsuit could
10 not have been settled on better terms than provided under the present settlement agreement given
11 the financial limitations of Defendant.

12 38. In sum, Plaintiff's Counsel is experienced in employment class and PAGA action
13 litigation and is adequate to represent the Aggrieved Employees in the instant action.

14 **SUMMARY**

15 39. If the Court approves each of the foregoing payments, approximately (\$112,542.83)
16 remains in the net settlement fund. Of that 75% (approximately (\$84,407.12) must be paid to the
17 Labor and Workforce Development Agency per Labor Code § 2699 et seq. and 25%
18 (approximately (\$28,135.71) shall be shared by the Aggrieved Employees.

19 40. Concurrently with the filing of the Settlement Agreement with this Court, Plaintiff's
20 counsel will submit the Stipulation to the LWDA.

21 41. Plaintiff has not served notice on the unnamed Aggrieved Employees and Plaintiff's
22 counsel is unaware of anyone who has relied upon the existence of this action in lieu of pursuit of
23 her individual or PAGA claims against Defendant.

24 42. On December 10, 2021 my office submitted the proposed PAGA Settlement to the
25 LWDA in connection with the PAGA case opened by Plaintiff. Attached hereto as **Exhibit 5** is a
26 true and correct copy of the confirmatory email my office received from the LWDA after
27 submission of the PAGA Settlement.

28 43. I declare under penalty of perjury under the laws of the State of California that the

1 foregoing is true and correct.

2 Executed this 10th day of December, 2021, at Glendale, California.

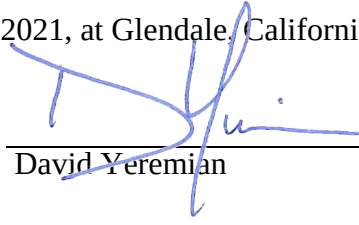
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EXHIBIT 1

**DAVID YEREMIAN
& ASSOCIATES INC**

535 N BRAND BLVD STE 705
GLENDALE CA 91203

818 230 8380
818 230 0308 FAX

DAVID@YEREMIANLAW.COM

July 2, 2020

VIA ON-LINE SUBMISSION ONLY TO:

<https://dir.tfaforms.net/128>

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

VIA CERTIFIED MAIL TO:

CF Watsonville East, LLC
dba Watsonville Nursing Center
Jacob Wintner, Agent for Service
6300 Wilshire Blvd Ste. 1800
Los Angeles, CA 90048
Certified Mail Tracking Number: 7019 2970 0000 5059 9661

Re: Labor Code § 2699 Penalties
Quizon v. CF Watsonville East LLC. et al.

Gentlepersons:

This office represents Plaintiff Edwin Quizon (“Plaintiff”) and other aggrieved employees (collectively “Aggrieved Employees”) for violations of California Labor Code §§ 201, 202, 203, 204, 210, 221, 226, 226.7, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, and 2699, *et seq.*; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq.*

Plaintiff wishes to bring a representative action on behalf of himself and the State of California against Defendant, CF Watsonville East, LLC., and DOES 1 through 50 inclusive (defendants being referred to herein collectively as “Defendants”). The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.* We herein set forth the facts and theories of California Labor Code violations which we Defendants engaged in with respect to our client and all of their California employees.

Relevant Facts

Aggrieved Employees were employed by Defendants as non-exempt employees within the state of California within the statutory time period who suffer or suffered from the same wage and hour violations outlined below. Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked.

Defendant also had a common policy and/or practice of understating the hours worked by Aggrieved Employees. Specifically, Aggrieved Employees were required to work during their meal periods without pay because Defendant would automatically deduct 30 minutes of wages from Aggrieved Employees for alleged meal periods which Aggrieved Employees were continuously denied.

In addition to an hourly wage, Defendants paid Aggrieved Employees shift differentials, sick time, nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses. However, upon information and belief, Defendants failed to incorporate all remunerations, including nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the sick time wage rate and overtime wage rate. Therefore, during times when Aggrieved Employees received sick time and worked overtime and received shift differentials, nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, Defendants failed to pay all overtime and sick time wages by paying a lower sick time wage rate and overtime rate than required.

Because of the foregoing understatement of hours worked, Defendants also failed to pay Aggrieved Employees proper overtime wages. Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week including during meal periods. Moreover, the uncompensated time, discussed above, was worked by Aggrieved Employees in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code and applicable Wage Orders.

Defendants had a common policy and/or practice of denying Aggrieved Employees proper meal periods. Specifically, Aggrieved Employees were required to work through their meal periods which they were consistently denied. Moreover, as discussed above, Defendants had a common policy and/or practice of automatically deducting 30 minutes of wages for alleged meal periods, which Aggrieved Employees were consistently denied. Also, what meal periods Aggrieved Employees did take, were consistently less than 30 minutes, and taken well after their fifth consecutive hour of work, all in violation of Labor Code and applicable Wage Orders. Similarly, Aggrieved Employees were required to work in excess of ten (10) hours a day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders. Defendants also had a common policy and practice of failing to provide Aggrieved Employees with proper paid rest-breaks. Just as in their meal periods, Defendants required Aggrieved Employees to work through their rest breaks, to which they were entitled.

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Specifically, Aggrieved Employees who often worked at least ten(10) to twelve (12) hours in a day were entitled to at least two breaks but were required to work through their periods which they were continuously denied.

Under *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257, 260 (2016) “[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time.” Defendants’ rest break policy explicitly states that

employees are not free to leave the Defendants' location is directly at odds with *Augustus*, as it "tethered [employees] by time and policy to a particular location" and therefore fails to relieve employees of all work duties and employer control during rest periods. *Augustus*, 2 Cal.5th at 269.

Defendants also had a common policy and/or practice of unlawfully collecting or receiving wages from Aggrieved Employees. As discussed above, Defendants would automatically deduct 30 minutes of vested wages from Aggrieved Employees for alleged meal periods which they were denied. Moreover, Defendants also had a common policy and/or practice of understating the hours worked by Aggrieved Employees.

Defendants consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a), and Defendants failed to pay Aggrieved Employees all wages owed at the time of their termination or within seventy-two (72) hours of their resignation as required by Labor Code §§ 201-203. Defendants also consistently failed to pay Aggrieved Employees all wages due on a semi-monthly basis.

Aggrieved Employees complain of the following violations:

Failure to Pay Minimum Wages

Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states, "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders. Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked. Specifically, Defendant would automatically deduct 30 minutes of wages from Aggrieved Employees for alleged meal periods which Aggrieved Employees were continuously denied. Thus, Aggrieved Employees were required to work hours without wages. Defendants have the ability to pay minimum wages for all time worked and have willfully refused to pay such wages with the intent to secure for Defendants a discount upon this indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Aggrieved Employees.

In light of the forgoing, the Plaintiff and Aggrieved Employees seek to recover penalties. Plaintiff and the Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiff and the other Aggrieved employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions.

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Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week. However, Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day. The uncompensated time, discussed above included off-the-clock work by Aggrieved Employees during their meal breaks which caused Aggrieved Employees to work in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders.

Additionally, Defendants did not pay Aggrieved Employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, Defendants paid Aggrieved Employees shift differentials, sick time, nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses. However, upon information and belief, Defendants failed to incorporate all remunerations, including received shift differentials, sick time, nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the sick time wage rate overtime wage rate. Therefore, during times when Aggrieved Employee received sick time and worked overtime and received shift differentials, , nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, Defendants failed to pay all overtime wages by paying a lower overtime rate than required.

In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, and 1194 (and the relevant orders of the Industrial Welfare Commission). Defendants are liable to Plaintiff and Aggrieved Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Meal-Period Liability Under Labor Code § 226.7

Defendants have regularly required Aggrieved Employees to work shifts in excess of five (5) hours without providing them with uninterrupted meal periods of not less than thirty (30) minutes as required under Labor Code §§ 226.7, 512, and applicable Wage Orders. Specifically, Aggrieved Employees were required to work through their meal periods which they were consistently denied. Moreover, as discussed above, Defendants had a common policy and/or practice of automatically deducting 30 minutes of wages for alleged meal periods, which Aggrieved Employees were consistently denied. Also, what meal periods Aggrieved Employees did take, were consistently less than 30 minutes, and taken well after their fifth consecutive hour of work, all in violation of Labor Code and applicable Wage Orders. Similarly, Aggrieved Employees were required to work in excess of ten (10) hours a day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided. Therefore, pursuant to Labor Code § 226.7, Plaintiff and Aggrieved Employees in the Class are entitled to damages in an amount equal to one (1)

hour of wages at their effective hourly rates of pay for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Rest-Break Liability Under Labor Code § 226.7

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten (10) minutes for every work period of four (4) or more consecutive hours, as required under Labor Code § 226.7. Specifically, Aggrieved Employees who often worked at least ten (10) hours in a day were entitled to at least two breaks but were required to work through their periods which they were continuously denied. Moreover, Aggrieved Employees were not paid for whatever rest breaks they were provided. Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided. Additionally, Under *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257, 260 (2016) “[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time.”

Defendants’ rest break policy explicitly states that employees are not free to leave the Defendants’ location is directly at odds with *Augustus*, as it “tethered [employees] by time and policy to a particular location” and therefore fails to relieve employees of all work duties and employer control during rest periods. *Augustus*, 2 Cal.5th at 269.

Therefore, pursuant to Labor Code § 226.7, Plaintiff and Aggrieved Employees in the Class are entitled to damages in an amount equal to one (1) hour of wages at their effective hourly rates of pay for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Unlawfully Collecting or Receiving Wages in Violation of Labor Code § 221

Labor Code § 221 provides, “It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee.” As discussed above, Defendants unlawfully received and/or collected wages from Aggrieved Employees by implementing a policy of automatically deducting 30 minutes worth of vested wages, from Aggrieved Employees, for alleged meal periods which they were consistently denied, as well as by understating the hours worked by Aggrieved Employees. In light of the forgoing, Plaintiffs and Aggrieved Employees seek to recover penalties pursuant to Labor Code § 558.

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each of his or her employees with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee’s wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid.

Defendants failed in their affirmative obligation to keep accurate records the correct sick time wage rate and overtime wages based on proper regular rate calculations that included shift

differentials, sick time, nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses earned, and the total amount of compensation of their Aggrieved Employees. Additionally, Aggrieved Employees' wage statements did not include the total hours worked in violation of Labor Code § 226(a)(2) and failed to accurately set forth all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each such rate in violation of Labor Code § 226 (a)(9). The wage statements provided to Plaintiff and Aggrieved Employees were thus confusing and required Plaintiff and Aggrieved Employees to engage in discovery and refer to outside sources to verify whether their pay was correct and potentially resulting in a miscalculation by the Plaintiff and Aggrieved Employees. Moreover, the wage statements given to Aggrieved Employees failed to accurately account for all hours worked as described above, unpaid wages, overtime, premium pay for deficiently provided meal and rest periods, and unlawfully received or collected wages, discussed above. In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e), Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Labor Code § 226.3 provides that "[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226." To the extent that Labor Code § 226.3 applies, Plaintiff also seeks such penalties on behalf of herself and the other Aggrieved Employees.

Please see true and correct copy of Plaintiff's wage statement attached hereto as "Exhibit 1."

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., Defendants failed to timely pay Aggrieved Employees' wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 210, 218.5, 558, and 1194.

Failure to Keep Records In Accordance With Labor Code § 1174

Section 1174 requires employers to keep records showing payroll records and the hours worked daily by and the wages paid to employees. Failing to pay Aggrieved Employees proper wages, overtime, premium pay, etc., all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.*

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Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages fur and owed to Aggrieved Employees at the time of their termination of within seventy-two (72) hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover pursuant to Labor Code § 558.

Unfair Competition Under Business and Professions Code § 17200, et seq.

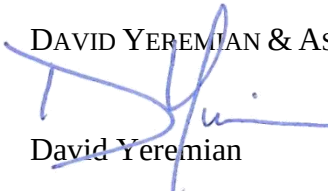
Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Plaintiff and Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 et seq.

We are constrained to move forward with the filing of this complaint, alleging the causes of action discussed herein, with or without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

Wherefore we request that you advise us, by certified mail within sixty (60) days of the postmark on this letter, whether you intend to proceed with these claims or whether Aggrieved Employees should include them as a § 2699 claim in an amended complaint.

Regards,

DAVID YEREMIAN & ASSOCIATES, INC.



David Yeremian

Cc: Above listed Defendant by Certified Mail

EXHIBIT 1

001746
CO. FILE DEPT CLOCK VCHR NO. 070
HFC 390070 001160 FE 0000040010 1

CF WATSONVILLE EAST, LLC
DBA WATSONVILLE NURSING CENTER
535 AUTO CENTER DRIVE
WATSONVILLE, CA 95076

Taxable Marital Status: Single
Exemptions/Allowances:
Federal: 0
CA: 0, \$100 Additional Tax

Social Security Number: XXX-XX-2949

Earnings	rate	hours	this period	year to date
Regular	41.0000	63.83	2,617.03	6,406.25
Overtime	61.5000	2.92	179.58	477.86
Bonus			65.00	65.00
Holiday	41.0000	8.00	328.00	656.00
Shift Diff.			10.45	
Gross Pay			\$3,200.06	7,634.91

Ductions	Statutory	
	Federal Income Tax	-440.91
	Social Security Tax	-195.31
	Medicare Tax	-45.68
	CA State Income Tax	-253.67
	CA SUI/SDI Tax	-31.50
	Other	
	DENTAL	-49.89*
	Roth	-128.00
	401K	-128.00*
	Net Pay	\$1,927.10
	Checking	-1,927.10
	Net Check	\$0.00

* Excluded from federal taxable wages

Your federal taxable wages this period are
\$3,022.17

Earnings Statement



Period Beginning: 01/01/2020
Period Ending: 01/15/2020
Pay Date: 01/24/2020

EDWIN QUIZON
1106 COBBLESTONE
SALINAS CA 93905

Other Benefits and Information	this period	total to date
Sick 2 Balance		48.00
Vacation Bal		20.83

Important Notes
BASIS OF PAY: HOURLY

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CF WATSONVILLE EAST, LLC
DBA WATSONVILLE NURSING CENTER
535 AUTO CENTER DRIVE
WATSONVILLE, CA 95076

Advice number: 00000040010
Pay date: 01/24/2020

Deposited to the account of
EDWIN QUIZON

account number xxxxxx8671 transit ABA xxxx xxxx amount \$1,927.10

NON-NEGOTIABLE

000844 FILE DEPT CLOCK VCHR NO 070
CO 390070 001160 FE 0000060012 1
HFC

CF WATSONVILLE EAST, LLC
DBA WATSONVILLE NURSING CENTER
535 AUTO CENTER DRIVE
WATSONVILLE, CA 95076

Taxable Marital Status: Single
Exemptions/Allowances:
Federal: 0
CA: 0, \$100 Additional Tax

Social Security Number: XXX-XX-2949

Earnings	rate	hours	this period	year to date
Regular	41.0000	48.00	1,968.00	8,374.25
Overtime	61.5000	5.28	324.72	802.58
Double Time	82.0000	3.30	270.60	270.60
Shift Diff.			22.40	
Sick 2	41.0000	24.00	984.00	984.00
Bonus				65.00
Holiday				656.00
Gross Pay			\$3,569.72	11,204.63

Deductions	Statutory		
	Federal Income Tax	-532.71	1,698.77
	Social Security Tax	-218.23	685.41
	Medicare Tax	-51.04	160.30
	CA State Income Tax	-296.36	931.35
	CA SUI/SDI Tax	-35.20	110.55
	Other		
	DENTAL	-49.89*	149.67
	Roth	-142.79	448.18
	401K	-142.79*	448.18
	Net Pay	\$2,100.71	
	Checking	-2,100.71	6,572.22
	Net Check	\$0.00	

* Excluded from federal taxable wages

Earnings Statement



Period Beginning: 01/16/2020
Period Ending: 01/31/2020
Pay Date: 02/10/2020

EDWIN QUIZON
1106 COBBLESTONE
SALINAS CA 93905

Your federal taxable wages this period are
\$3,377.04

Other Benefits and Information

	this period	total to date
Sick 2 Balance		25.89
Vacation Bal		25.83

Important Notes

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CF WATSONVILLE EAST, LLC
DBA WATSONVILLE NURSING CENTER
535 AUTO CENTER DRIVE
WATSONVILLE, CA 95076

Advice number: 0000060012
Pay date: 02/10/2020

Deposited to the account of
EDWIN QUIZON

account number xxxxxx8671 transit ABA xxxx xxxx amount \$2,100.71

NON-NEGOTIABLE

CO. FILE DEPT CLOCK VCHR NO. 070
HFC 390070 001160 FE 0000090012 1
SEQ 000798

CF WATSONVILLE EAST, LLC
DBA WATSONVILLE NURSING CENTER
535 AUTO CENTER DRIVE
WATSONVILLE, CA 95076

Taxable Marital Status: Single
Exemptions/Allowances:
Federal: 0
CA: 0, \$100 Additional Tax

Social Security Number: XXX-XX-2949

	rate	hours	this period	year to date
Earnings				
Regular	41.0000	71.55	2,933.55	11,307.80
Overtime	61.5000	2.02	124.23	926.81
Shift Diff.			16.23	
Double Time				270.60
Bonus				65.00
Holiday				656.00
Sick 2				984.00
Gross Pay			\$3,074.01	14,278.64

Deductions	Statutory		
	Federal Income Tax	-428.02	2,126.79
	Social Security Tax	-187.49	872.90
	Medicare Tax	-43.85	204.15
	CA State Income Tax	-247.68	1,179.03
	CA SUI/SDI Tax	-30.24	140.79
	Other		
	DENTAL	-49.89*	199.56
	Roth	-122.96	571.14
	401K	-122.96*	571.14
	Net Pay	\$1,840.92	
	Checking	-1,840.92	8,413.14
	Net Check	\$0.00	

* Excluded from federal taxable wages

Earnings Statement

Period Beginning: 02/01/2020
Period Ending: 02/15/2020
Pay Date: 02/25/2020

EDWIN QUIZON
1106 COBBLESTONE
SALINAS CA 93905

Your federal taxable wages this period are
\$2,901.16

Other Benefits and Information

	this period	total to date
Sick 2 Balance		28.34
Vacation Bal		30.83

Important Notes

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CF WATSONVILLE EAST, LLC
DBA WATSONVILLE NURSING CENTER
535 AUTO CENTER DRIVE
WATSONVILLE, CA 95076

Advice number: 0000090012
Pay date: 02/25/2020

Deposited to the account of
EDWIN QUIZON

account number	transit ABA	amount
xxxxxx8671	xxxx xxxx	\$1,840.92

NON-NEGOTIABLE

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CO FILE DEPT CLOCK VCHR NO 070
HFC 390070 001160 FE 0000130009 1
SEQ 000821

CF WATSONVILLE EAST, LLC
DBA WATSONVILLE NURSING CENTER
535 AUTO CENTER DRIVE
WATSONVILLE, CA 95076

Taxable Marital Status: Single
Exemptions/Allowances:
Federal: 0
CA: 0, \$100 Additional Tax

Social Security Number: XXX-XX-2949

Earnings	rate	hours	this period	year to date
Regular	41.0000	55.40	2,271.40	16,471.75
Overtime	61.5000	1.10	67.65	1,055.96
Shift Diff.			10.00	
Sick 2	41.0000	24.00	984.00	1,968.00
Double Time				270.60
Bonus				65.00
Holiday				656.00
Gross Pay			\$3,333.05	20,576.92

Deductions	Statutory		
	Federal Income Tax	-482.73	3,014.56
	Social Security Tax	-203.56	1,257.21
	Medicare Tax	-47.60	294.02
	CA State Income Tax	-273.12	1,689.14
	CA SUI/SDI Tax	-32.84	202.78
Other			
	DENTAL	-49.89*	299.34
	Roth	-133.32	823.07
	401K	-133.32*	823.07
Net Pay		\$1,976.67	
	Checking	-1,976.67	12,173.73
Net Check		\$0.00	

* Excluded from federal taxable wages

Earnings Statement



Period Beginning: 03/01/2020
Period Ending: 03/15/2020
Pay Date: 03/25/2020

EDWIN QUIZON
1106 COBBLESTONE
SALINAS CA 93905

Your federal taxable wages this period are
\$3,149.84

Other Benefits and Information

	this period	total to date
Total Work Hrs	56.50	
Sick 2 Balance		8.61
Vacation Bal		40.83

Important Notes

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CF WATSONVILLE EAST, LLC
DBA WATSONVILLE NURSING CENTER
535 AUTO CENTER DRIVE
WATSONVILLE, CA 95076

Advice number: 00000130009
Pay date: 03/25/2020

Deposited to the account of
EDWIN QUIZON

account number transit ABA amount
xxxxxx8671 xxxx xxxx \$1,976.67

NON-NEGOTIABLE

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EXHIBIT 2

Private Attorneys General Act (Cal. Lab. Code § 2698, *Et Seq.*) Settlement Agreement

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, that the Action and PAGA Released Claims shall be settled and resolved subject to the following terms and conditions set forth in this Private Attorneys General Act (Cal. Lab. Code § 2698, *et seq.*) Settlement Agreement (“Settlement Agreement”), entered by and between Plaintiff *Edwin Quizon* (“Plaintiff”), on behalf of himself and on behalf of all other aggrieved employees, and Defendant *CF Watsonville East, LLC dba Watsonville Nursing Center* (“Defendant”) (collectively, the “Parties”).

This Settlement Agreement shall be effective upon the date of the Court order approving the settlement (the “Effective Date”).

I. DEFINITIONS

Unless otherwise defined herein, the following terms, when used in this Settlement Agreement, shall have the following meanings:

1. “Aggrieved Employees” mean all current and former hourly-paid or non-exempt employees who worked for CF Watsonville East, LLC dba Watsonville Nursing Center in the State of California during the PAGA Period, i.e., from July 2, 2019, through the date on which the Court grants approval of the settlement.
2. “Defendant” means CF Watsonville East, LLC dba Watsonville Nursing Center.
3. “Complaint” means the individual and representative claims and allegations set forth in Plaintiff’s correspondence to the California Labor and Workforce Development Agency dated July 2, 2020 (“LWDA Letter”), and the civil Complaint in the Action filed on September 8, 2020.
4. “Court” or “Santa Cruz County Superior Court” means the Superior Court of California for the County of Santa Cruz.
5. “Defense Counsel” or “Counsel for Defendant” is James S. Cooper, Esq. of Levinson Arshonsky & Kurtz, LLP.
6. “Employee PAGA Portion” is the amount to be distributed to the Aggrieved Employees, which shall consist of 25% of the PAGA Penalties Amount, as provided in Section III.3 herein.
7. “Employee Payments” refers to the PAGA Penalty Payments that will be distributed to Aggrieved Employees, as provided in Section III.3 herein.
8. “Gross Settlement Amount” is the sum of Two Hundred Fifteen Thousand Dollars and Zero Cents (\$215,000.00), which represents the total amount payable under this Settlement Agreement by Defendant, and includes the Employee PAGA Portion payable to Aggrieved

Employees, LWDA Payment payable to the LWDA, Attorney Fees, Costs, and Settlement Administration Costs.

9. "LWDA" means the California Labor and Workforce Development Agency.

10. "PAGA Action" means the matter *Quizon v. CF Watsonville East, LLC dba Watsonville Nursing Center*, Santa Clara County Case No. 20CV01868.

11. "Plaintiff" means Edwin Quizon.

12. "Plaintiff's counsel" means David Yeremian, Esq., and Roman Shkodnik, Esq., of David Yeremian & Associates, Inc., 535 North Brand Blvd., Suite 705, Glendale, CA 91203 and Emil Davtyan, Esq., of Davtyan Law Firm, Inc., 880 E. Broadway, Glendale, CA 91205.

12. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts are subtracted from the Gross Settlement Amount: (a) Attorneys' Fees to Plaintiff's counsel, (b) Litigation Costs to Plaintiff's counsel, (c) and Settlement Administration Costs.

13. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

14. "LWDA Payment" means the amount to be paid to the LWDA, which is seventy-five percent (75%) of the Net Settlement Amount as set forth in Section III.3 herein.

15. "PAGA Period" means the time period from July 2, 2019, through until the court grants approval of the settlement.

16. "PAGA Released Claims" mean any and all claims, debts, liabilities, demands, obligations, guarantees, damages, wages, benefits, penalties, interest, attorney's fees, costs, expenses, action or causes of action, in law or equity, whether known or unknown, which have been or could have asserted by the Plaintiff and/or any member of the Aggrieved Employees that could have been assessed upon and collected from the Released Parties under PAGA, based on the factual allegations in the Complaint, including, but not limited to, purported violations of California Labor Code sections 201, 202, 203, 204, 210, 221, 226, 226.7, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, and 2699, *et seq.* and any applicable Wage Order.

17. "Released Parties" mean CF Watsonville East, LLC dba Watsonville Nursing Center and its past, present, and future officers, directors, employees, board members, shareholders, relatives, attorneys, insurers, consultants, reinsurers, customers, partners, investors, members, representatives, predecessors, parent companies, subsidiaries, affiliates, divisions, successors, agents and principals, and their members, heirs, estates, executors, administrators, servants, insurers, attorneys, and assigns.

II. RECITALS

1. On July 2, 2020, Plaintiff provided written notice to the LWDA and Defendant asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of California Labor Codes.

2. Plaintiff filed his Representative Action against Defendant on September 8, 2020. Plaintiff alleged a single PAGA action for penalties based upon violations of Labor Code sections 201, 202, 203, 204, 210, 221, 226, 226.7, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, and 2699, *et seq.* and any applicable Wage Order.

3. On July 15, 2021, the Parties participated in mediation before mediator Lynn Frank, Esq., after undertaking an investigation and exchange of information and documents pertaining to Plaintiff and the Aggrieved Employees.

4. On July 15, 2021, the Parties finalized an agreement to fully and finally resolve the PAGA Action and the PAGA Released Claims as to Plaintiffs, the State of California, and the Aggrieved Employees. The Parties have a separate settlement agreement for Plaintiff's individual claims.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement Agreement nor action taken in implementation thereof shall be construed to be an admission or concession by Plaintiff that his claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, Aggrieved Employees, or any other person, and Defendant specifically disclaims any such liability or wrongdoing. Nor will any of the foregoing be used in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Settlement Agreement may be used in any court proceeding that has as its purpose the interpretation, implementation, or enforcement of the settlement or any orders or judgments of the Court entered into in connection therewith. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related Court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount.** Defendant shall pay no more than \$215,000.00 as the Gross Settlement Amount ("GSA") to resolve this PAGA Action.

3. **Net Settlement Amount.** The Parties agree that the Net Settlement Amount ("NSA") shall be distributed to the LWDA and Aggrieved Employees as follows: Seventy-five percent (75%) of the Net Settlement Amount shall be distributed to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) of the Net Settlement Amount shall be distributed to the Aggrieved Employees on a *pro rata* basis, based on their respective number of pay periods worked

for Defendant during the PAGA Period (i.e. the "Employee Payments"). Payments to Aggrieved Employees of their share of the Net Settlement Amount shall be referred to as "Employee Payments." Each Aggrieved Employee will be paid a non-wage check for the PAGA Penalty Payment, and will receive an IRS Form 1099 for said payment.

4. **Attorneys' Fees Payment.** Plaintiff's counsel shall request and Defendant and Defendant's counsel shall not oppose a fee request of 40% of the GSA (\$86,000.00). Should the Court award less than 40% of the GSA as attorney fees to Plaintiff's counsel, the remaining amount shall revert to the NSA.

5. **Plaintiff's Litigation Costs Payment.** Plaintiff's counsel shall be reimbursed for all reasonable litigation costs, not to exceed \$20,000.00, to be paid from the GSA.

6. **Settlement Administration Costs Payment.** The Parties shall agree on a Settlement Administrator (e.g., CPT Group, IYLM, Phoenix, etc.) to administer the PAGA settlement process. Settlement administration costs not to exceed \$15,000.00 shall be paid from the GSA.

7. **Release of PAGA Claims.** Representative Group Members will release all alleged claims under PAGA and/or alleged violations of California's Labor Code that were asserted against Defendant CF Watsonville East, in the operative Complaint, or the July 2, 2019 letter to the Labor and Workforce Development Agency, or that could have been asserted based on the allegations alleged in the operative Complaint due to any Labor Code violations by Defendant arising out of or related to events alleged in the Complaint, including, but not limited to, Labor Code sections 201, 202, 203, 204, 210, 221, 226, 226.7, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, and 2699, *et seq.* and any applicable Wage Order; interest; attorneys' fees and costs; and any other claims that could be asserted under PAGA arising out of or related to the operative Complaint filed in the Action ("Released Claims"). After approval of the settlement, the waiver and release of claims will be final and binding on Plaintiff and the Representative Group Members. The Order entered by the Court approving the settlement will dismiss all Released Claims with prejudice and will have every preclusive effect permitted by law as to Plaintiff, the Representative Group Members, and the LWDA.

8. **Released Claims.** Upon the Effective Date, Plaintiffs, Aggrieved Employees, and the State of California will be forever barred from pursuing any and all PAGA Released Claims defined in Section I.16 herein accrued on or before the Effective Date.

9. **Covenants and Representations by Plaintiff and Plaintiff's counsel.**

a. Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

Plaintiff acknowledges that he has read this Settlement Agreement, whether personally or with the assistance of a translator, as necessary, that they fully understand his rights, privileges, and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult

with his attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

10. **Limited Disclosure and No Publicity.** Except to the extent necessary to effectuate the settlement or as required by the PAGA statute, a court of law, or legal process, neither Defendant, Defendant's Counsel, Plaintiff, nor Plaintiff's counsel will publicize the terms of this Settlement Agreement or issue a press release, hold a press conference, publish information about the settlement on any website or through any social media, or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court.

11. **Filing of Stipulation or Motion for Approval of Settlement by Plaintiff's counsel.** Plaintiff's counsel shall be responsible for preparing the Stipulation for Approval of the Settlement ("Stipulation") or Motion for Approval of Settlement ("Motion"). Plaintiff's counsel will file the Stipulation or the Motion, as soon as practicable. Pursuant to California Labor Code section 2698, *et seq.*, Plaintiff's counsel shall undertake all required submissions and disclosures to the LWDA and the Court to obtain approval of the settlement.

12. **Termination of Settlement Agreement.** If the Court does not approve the settlement, if the Court does not dismiss the PAGA Action with prejudice, as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, or the settlement does not become final for any other reason, then either of the Parties shall have the right within ten (10) calendar days of written notice thereof to elect to terminate the Settlement Agreement, in which case it shall have no force or effect, and the Parties shall be deemed to have reverted to their original, respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

13. **Dismissal.** The Settlement Administrator will timely provide the Parties with a declaration confirming that distribution of payments has been completed in accordance with the Settlement Agreement and the Court's orders. Plaintiff's counsel will file the declaration with the Court and required dismissal papers (i.e., a Request for Dismissal of the Action with prejudice) within ten (10) business days of receipt or as otherwise ordered by the Court. This Settlement Agreement is expressly conditioned upon the Court entering the dismissal of the Action in its entirety. The dismissal will not release or bar any claims other than those set forth in this Agreement.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administration.** The Parties shall mutually agree upon a Settlement Administrator (e.g., CPT Group, IYLM, Phoenix, etc.), which shall be paid from the GSA.

Notice to Aggrieved Employees.

a. No later than ten (10) business days after the Effective Date, Defendant shall provide the Settlement Administrator with a list of the Aggrieved Employees (the "Aggrieved Employees List"). The Aggrieved Employees List shall include each Aggrieved Employee's full

name, last known mailing address, last known telephone number, start date(s) of employment, end date(s) of employment Defendant, and Social Security number, to the extent available from Defendant's records. The Settlement Administrator will maintain the list in confidence, and shall only access and use the list to administer the settlement in conformity with the Court's orders.

b. No later than fifteen (15) calendar days after receipt of the entire Gross Settlement Amount from Defendant, the Settlement Administrator will mail the Employee Payments under cover letter, substantially in the form attached hereto as "**Exhibit A**" ("Cover Letter"), to each of the Aggrieved Employees identified on the Aggrieved Employees List.

Deposit and Distribution of Gross Settlement Amount.

a. No later than thirty (30) calendar days from the Court Approved Date ("Funding Date"), Defendant shall deposit Gross Settlement Fund, totaling \$215,000.00, into a settlement account established by the Settlement Administrator, for administration and distribution in accordance with this Settlement Agreement and the Court's orders.

b. The Settlement Administrator shall distribute payments for the Attorneys' Fees, the Litigation Costs, the Employee Payments, and the LWDA Payment within fifteen (15) calendar days after receipt of the entire Gross Settlement Amount from Defendant. All payments provided for by this Settlement Agreement shall be made by The Settlement Administrator in accordance with this Settlement Agreement and the Court's order approving this settlement.

c. Each Aggrieved Employee will be issued one check for their Employee Payment which will expire one hundred and eighty (180) calendar days from the date the checks are issued by The Settlement Administrator. After the 180 day-period, The Settlement Administrator shall cancel all checks that have not been cashed or deposited and remit funds associated with such canceled checks to the State Controller's Office, Unclaimed Property Division in the name associated with each Aggrieved Employee whose Employee Payment checks are canceled.

V. MISCELLANEOUS PROVISIONS

1. **No Impact on Employee Benefit Plans.** Neither the Settlement Agreement nor any amounts paid to Plaintiffs, any Aggrieved Employee, or the LWDA under the settlement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant' sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going-forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any Defendant benefit plan, policy, or bonus program. Defendant retain the right, if necessary, to modify the language of its benefit plans, policies, and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid,"

“hours of service,” or any similar measuring term as defined by applicable plans, policies, and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

2. **Tax Consequences.** Plaintiff and Aggrieved Employees will be solely responsible for correctly characterizing any compensation received under the settlement on their personal income tax returns for tax purposes, and paying all appropriate taxes due for any and all amounts paid to them under the settlement. Plaintiff, Defendant, Plaintiff’s counsel, and Defendant’s Counsel make no representations or warranties with respect to tax consequences of any payment under this Settlement Agreement, do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied upon as such.

3. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in California, and all questions of validity, interpretation, or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action or arbitration is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Santa Cruz.

4. **Entire Agreement.** This Settlement Agreement and the individual Confidential Settlement Agreement and Release constitute the entirety of the Parties’ settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement or the individual Confidential Settlement Agreement and Release has been made to them, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the Action and PAGA Released Claims.

5. **Judgment and Continued Jurisdiction.** The Parties agree that this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6, and the Court, to the fullest extent of the law, shall retain exclusive and continuing jurisdiction over this Action, over all Parties, and the Aggrieved Employees to interpret and enforce the terms, conditions, and obligations of the Settlement Agreement.

6. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties, subject to approval by the Court.

7. **Binding on Successors and Assigns.** This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

8. **Execution and Counterparts.** This Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and

scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

9. **Acknowledgement of Mutual Drafting and that the Settlement is Fair, Adequate, and Reasonable.** The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

10. **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.

11. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

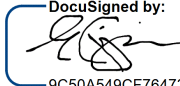
12. **No Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right, or remedy.

13. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to implement the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

IN WITNESS THEREOF, the Parties each acknowledge that they/it have read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

DATED: 11/10, 2021

By:

DocuSigned by:

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Plaintiff Edwin Quizon

DATED: _____, _____

By:

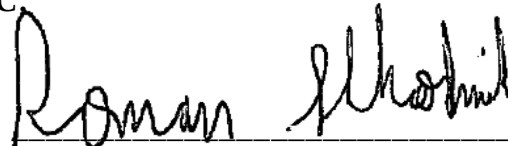
Defendant CF Watsonville East, LLC dba
Watsonville Nursing Center

APPROVED AS TO FORM AND CONTENT:

DAVID YEREMIAN & ASSOCIATES INC

Dated: 11/10/2021

By:



David Yeremian
Roman Shkodnik
Attorney for Plaintiff

DAVTYAN LAW FIRM, INC.

Dated: 11/11/2021

By:



Emil Davtyan
Attorney for Plaintiff

LEVINSON ARSHONSKY & KURTZ, LP

Dated: _____

By:

James S. Cooper, Esq.
Attorneys for Defendant

DATED: _____, _____

By: _____

Plaintiff Edwin Quizon

DATED: 11/11, 2021

By: _____


Defendant CF Watsonville East, LLC dba
Watsonville Nursing Center

APPROVED AS TO FORM AND CONTENT:

DAVID YEREMIAN & ASSOCIATES INC.

Dated: _____

By: _____

David Yeremian
Roman Shkodnik
Attorney for Plaintiff

DAVTYAN LAW FIRM, INC.

Dated: _____

By: _____

Emil Davtyan
Attorney for Plaintiff

LEVINSON ARSHONSKY & KURTZ, LP

Dated: November 16, 2021

By: _____

DocuSigned by:

5649F86D37FA454
James S. Cooper, Esq.
Attorneys for Defendant

EXHIBIT A

NOTICE OF PAGA SETTLEMENT AND RELEASE OF CLAIMS

Edwin Quizon v. CF Watsonville East, LLC dba Watsonville Nursing Center
Santa Cruz County Superior Court Case No. 20CV01868

<<Name>>

<<Address>>

<<City>>, <<State>> <<Zip Code>>

XX - XX - _ _ _ _

I. NOTICE OF PAGA SETTLEMENT

The Santa Cruz County Superior Court (the “Court”) has approved a settlement in the above-captioned action filed by Edwin Quizon (“Plaintiff”) on behalf of himself and all other aggrieved employees.

In this lawsuit, Plaintiff is seeking to recover civil penalties for alleged violations of the California Labor Code on behalf of the California Labor and Workforce Development Agency (“LWDA”) and other aggrieved employees under the California Private Attorneys General Act (the “PAGA”). These civil penalties are based on Plaintiff’s allegations that CF Watsonville East, LLC dba Watsonville Nursing Center (“CF Watsonville”) failed to: provide legally compliant meal periods, permit and authorize legally compliant rest periods, issue to accurate wage statements that included all information required by law, and failed to pay all wages upon termination of employment; and as a result is liable for civil penalties under the PAGA.

The Court has ***not*** made a determination about the merits of Plaintiff’s claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of Plaintiff’s claims.

CF Watsonville denies Plaintiff’s allegations. It maintains that it was in compliance with the California Labor Code at all times and enters into this Settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

You are receiving this Notice because you are in the group of employees referred to as “Aggrieved Employees,” which is defined as: “all current and former hourly, non-exempt employees of that CF Watsonville East, LLC, who worked in California at any time from July 2, 2019, through [the earlier of (i) the date the Court grants approval of this settlement] (“PAGA Period”).”

II. INDIVIDUAL PAGA PAYMENT

Each individual PAGA payment was calculated on a pro rata basis (*i.e.*, proportional) based on the number of pay periods worked by each Aggrieved Employee in the PAGA Period. Your individual PAGA payment has been calculated at \$[AMOUNT PAID TO THIS EMPLOYEE]. The individual PAGA payment is for penalties and will be reported on an IRS Form 1099. Your payment is enclosed with this Notice.

III. RELEASE

The Court has approved the Parties’ Settlement Agreement (“Settlement”). By operation of the Settlement terms, all Aggrieved Employees including you will release AG Arcadia and its former, present and future owners, parents, subsidiaries, and all of their current, former and future officers, directors, members, managers,

employees, consultants, partners, shareholders, joint venturers, agents, successors, assigns, accountants, insurers, or legal representatives (“Released Parties”) from any and all claims, rights, demands, liabilities and causes of action for civil penalties under the Sixth Cause of Action for violations of the Labor Code Private Attorneys General Act (“PAGA”), Labor Code § 2698 *et seq.* pled in the Complaint in the Action, or civil penalties that could be brought based on the factual allegations in Complaint in the Action, that arose during the PAGA Period, including any related claims for attorneys’ fees, costs, or interest resulting therefrom (“PAGA Released Claims”). The Released Claims herein does not release the Released Parties from any underlying Labor Code violations.

Upon entry of the Order approving the Settlement, any Aggrieved Employee covered by this Agreement (including you) will be barred from proceeding with any of the PAGA Released Claims released by this Settlement.

IV. SETTLEMENT ADMINISTRATOR

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

You may call the Settlement Administrator, [NAME OF SETTLEMENT ADMINISTRATOR] at [ADMINISTRATOR INFO] with any questions.

Settlement checks will be void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall direct all unclaimed funds to the California State Controller’s Office under the unclaimed property laws in the name of the Aggrieved Employee to whom the check was issued. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT 3

Cost report for QUIZON v. CF WATSONVILLE EAST LLC

<i>Date</i>	<i>TaskCode</i>	<i>Payee</i>	<i>Description</i>	<i>Cost</i>	<i>Acct/Check No</i>
7/2/2020		LWDA	PAGA LETTER	\$75.00	PAGA LETTER 4238
9/8/2020		Rapid Legal	SUMMONS & COMPLAINT - filing fee advanced	\$463.33	Filing
9/15/2020		Rapid Legal	PROCESS OF SERVICE - CF WATSONVILLE EAST, LLC	\$91.38	SERVICE
12/22/2020		Rapid Legal	CMS (1.6.21)	\$14.04	Filing
12/22/2020		Rapid Legal	NTC OF POSTING JURY FEES - jury fees advanced	\$169.07	Filing
1/7/2021		Rapid Legal	NTC OF CONT CMC (4.20.21)	\$14.04	Filing
4/6/2021		Rapid Legal	APP AND STIP FOR ORDER TO CONT HRNG - stip fee advanced	\$34.85	Filing
4/6/2021		Rapid Legal	JOINT STIP TO CONT CMC (4.20.21)	\$10.32	Filing
4/6/2021		Rapid Legal	(REJECTED BY COURT) JOINT STIP TO CONT CMC (4.20.21)	\$10.32	Filing
6/14/2021		Frank & Feder Mediato	MEDIATION (7.15.21)	\$7,500.00	MEDIATION
8/3/2021		BERGER CONSULTIN	EXPERT ANALYSIS	\$1,425.00	EXPERT ANALYSIS V
8/3/2021		Rapid Legal	JOINT CMC STATEMENT (8.17.21)	\$12.39	Filing
8/4/2021		Rapid Legal	CMS (8.17.21)	\$16.26	Filing
11/1/2021		Rapid Legal	JOINT CMS (11.17.21)	\$16.26	Filing
11/1/2021		Rapid Legal	CMS (11.17.21)	\$12.39	Filing
12/10/2021		Rapid Legal	MTN FOR PAGA APPROVAL -mtn fee advanced	\$125.00	Filing
12/10/2021		Rapid Legal	NTC OF ENTRY OF ORDER & JUDGMENT	\$16.26	Filing
12/10/2021		Rapid Legal	DEC OF CLAIMS ADM RE DISTRIBUTION OF FUNDS	\$16.26	Filing

TOTAL COST **\$10,022.17**

Total Cost By Account

EXPERT ANALYSIS	\$1,425.00
Filing	\$930.79
MEDIATION	\$7,500.00
PAGA LETTER	\$75.00
SERVICE	\$91.38

EXHIBIT 4

Detailed Time and Task Summary – David Yeremian

Tasks Performed	Atty Hours Est.	Date range
<u>1. Pre-Filing and Investigation Tasks</u> – - Meet with client; review client docs; interview re: facts of case - Research case law and other cases, and research Defendant CF Watsonville East, LLC. dba Watsonville Nursing Center (“Defendant”) and its operations and prior litigations - Draft retainer and opening file documents - Reviewed associate’s factual and legal research into the merits of Plaintiff’s claims	5	June 2020 – September 2020
<u>2. Filing the Complaint and Drafting and Sending the LWDA Letter Notice</u> - Review and revise complaint - Review and revise LWDA exhaustion letter re: PAGA Notice and claims and facts and theories and grounds for recovering civil penalties	2.5	September 2020
<u>3. Initial conferences and correspondence with Defendant’s counsel and Initial scheduling conference and case initiation requirements.</u> - Review case initiation documents, conformed copies, and review initial Case Management Conference order and draft notice of CMC - Confer with defense counsel regarding notice and acknowledgement	3.5	September 2020 – January 2021
<u>4. Potential ADR Discussions and initial formal and informal discovery requests</u> - Confer with defense counsel and exchange e-mails regarding decision to proceed with mediation and status of discovery and how to approach in light of agreement - Confer and correspond with Defendant and mediators regarding mediator selection and availability and scheduling - Agree upon Lynn Frank for mediation in July and draft multiple e-mails and respond regarding scheduling - Confer with Plaintiff regarding mediation and availability, and review multiple correspondences from Plaintiff regarding ongoing claims and issues to address with Defendant - Confer with statistical analysis expert regarding production and review and information and items needed to provide conclusions and recommendations and provide documents to him; discuss case claims and approach to damages	8	October 2020 – July 2021
<u>5. Complete Initial Informal Discovery, Mediation Preparation, and Conduct Mediation and further discovery meet and confer</u> – - Complete informal discovery and production of documents and Aggrieved Employees’ data - Review all production and file documents and policy documents and compile key exhibits and documents for mediation - Confer and correspond with Defendant’s counsel regarding Aggrieved Employees’ data and numbers agreed upon and extrapolated for mediation - Complete and draft calculations of Defendant’s potential liability	28	July 2021

Detailed Time and Task Summary – David Yeremian

exposure and summarize defenses to each and alleged bases for reduction in calculated numbers • Provide Aggrieved Employees data and documents as necessary to expert and confer with expert regarding conclusions and numbers for Aggrieved Employees based on the provided information • Review and revise mediation brief, address background and procedure and discovery completed, address relevant policies of Defendant and each of Plaintiff's claims, and the facts and law supporting them, and research and calculate potential estimated damages and penalties exposure • Attend mediation • Conferences with defense counsel regarding Settlement and general terms • Review correspondence following mediation with mediator and confer regarding continued efforts to finalize settlement terms		
<u>6. Finalizing Settlement Agreement and Terms –</u> • Review and revise Memorandum of Agreement; conferences with counsel re same • Review stipulation to continue case management conference to complete Settlement Agreement and attend to filing • Review and revise long form Settlement Agreement and conduct multiple conferences and correspondence with defense counsel regarding detailed terms and revisions • Multiple correspondence and conferences with defense counsel regarding settlement terms and revisions and additions • Review Aggrieved Employees Notice and e-mails regarding same and finalizations after editing • Review administrator quotations and discuss with associate • Conduct multiple conferences with Plaintiff regarding Settlement and terms and responding to his questions and concerns. Address in detail with Plaintiff his ongoing employment and the implications of the Settlement and ensuring it does not impact his current employment status with Defendant	3	July 2021– December 2021
<u>7. Motion for PAGA Settlement Approval:</u> • Review and revise motion for PAGA approval of the Settlement and supporting documents and declarations and attend to filing • Review entire file, emails, and compile time summary	2	December 2021
TOTAL:	52 Hrs.	

EXHIBIT 5